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## Rehab Institute ups cost of new hospital to more than \$500 million

By [Andrew L. Wang](#) November 15, 2012

The estimated cost of the Rehabilitation Institute of Chicago's new tower in Streeterville has shot up more than 10 percent since January, to nearly \$523 million, as hospital executives fine-tune their plans.

The price tag of the proposed 27-story structure at 630 N. McClurg Court has increased from roughly \$462 million 10 months ago, according to an application filed on Wednesday with a state regulatory board. To finance the project, RIC has raised nearly half of its goal of \$300 million in donations.

Founded in 1954, the specialty hospital is well-known for its treatment of patients with complex medical conditions, such as spinal cord injuries. U.S. Sen. Mark Kirk was treated at RIC after suffering a stroke earlier this year.

The cost of the new building has climbed even though RIC, whose CEO is Joanne Smith, has scaled back capacity to 242 beds, from 272 beds proposed earlier, the new application said.

Despite that, the size of the new building has increased to 859,000 square feet, up from about 690,000 square feet previously proposed.

"As planning progressed . . . the space program and project budget were refined, and the bed complement was reduced minimally," the application said. "There have been no changes, however, to any of the clinical services to be provided at the facility's location, the population served, or the general conceptual design of the hospital."

RIC, with annual revenue of nearly \$199 million, has also pushed back by one year the scheduled completion for the project, to March 2017.

When finished, the hospital will still mark a significant expansion over RIC's current location at 345 E. Superior St., about two blocks from the new site.

The existing facility, built in 1974, has 182 beds, 17 of which were added this year.

The hospital averaged 89.8 percent capacity for the first nine months of 2012, according to the application filed with the Illinois Health Facilities and Services Review Board, which must approve the project.

The new building is intended to more closely integrate research and care into the same setting, so that patients potentially have direct access to cutting-edge therapies.

"Approaches to using facilities to deliver care have certainly evolved over the last 40, 50 years," said Fredric Entin, a Chicago-based partner at law firm Polsinelli Shugart P.C. who represents RIC in some legal matters but not this application. "The design of the new facility takes advantage of the ability to deliver services as they should be delivered today."

A spokeswoman for RIC had no immediate comment on the hospital's plans.

In January, the hospital asked the health facilities board for permission to conduct extensive planning for the new facility. The application, which was approved in April, contained rough details about the project, including an estimate that the building would cost \$330 million for hard construction expenses and an additional 40 percent, or \$132 million, for services such as architects and engineers, for a total of \$462 million.

RIC plans to fund the replacement hospital with a combination of \$61.4 million in cash, \$147.5 million in new

debt, \$13.8 million in leases and \$300 million in gifts and bequests. The hospital has raised \$141 million against the fundraising goal.

The new building would be located on a vacant lot that was once WBBM-TV/Channel 2's studio, which in 1960 hosted the first nationally televised presidential debate, between Richard Nixon and John F. Kennedy.

(Editor's note: The height of the proposed 27-story structure has been corrected in this updated story.)

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